

578  
VIRGINIA:

BOOK 534 PAGE 367

## BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER VGOB-00-1017-0824

ELECTIONS: UNIT FF-26  
(herein "Subject Drilling Unit")REPORT OF BOARDFINDINGS AND ORDER

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on December 11, 2000 which was recorded at Deed Book 517, Page 130 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on December 20, 2000 and at Deed Book 518, Page 131 in the Office of the Clerk of the Circuit Court of Russell County, Virginia, on December 21, 2000, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed POCAHONTAS GAS PARTNERSHIP (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates that the escrow of funds is required with regard to Unit FF-26;

Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Union National Bank, Corporate Trust PA1328, 123 Broad Street, Philadelphia, PA 19109-1199, Telephone: (215) 985-3485 or (800) 664-9359, Attn: Don Ballinghoff, or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefore.

ENTERED

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Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven seven (7) days from the date of receipt of this Order.

Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 8<sup>th</sup> day of November, 2001, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

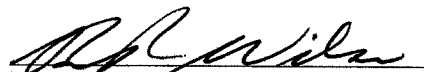
STATE OF VIRGINIA  
COUNTY OF WISE

Acknowledged on this 8<sup>th</sup> day of November, 2001, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Susan G. Garrett  
Notary

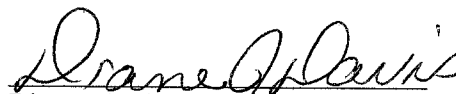
My commission expires: 7/31/02.

DONE AND PERFORMED THIS 13<sup>th</sup> day of November, 2001, by Order of the Board.

  
B. R. Wilson,  
Director of the Division of Gas & Oil Board and  
Principal Executive to the Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 13<sup>th</sup> day of November, 2001, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Director of the Division of Gas & Oil Board and Principal Executive to the Board, that he executed the same and was authorized to do so.

  
Diane J. Davis, Notary

My commission expires: 9/30/2005

VIRGINIA:

## Exhibit A

## BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Pocahontas Gas Partnership for Forced Pooling of Interests in CBM Unit FF-26  
VGOB-00-0919-0824 in the Hurricane District of Buchanan County and the New Garden District of Russell  
County, Virginia

AFFIDAVIT OF POCAHONTAS GAS PARTNERSHIP (herein "Designated Operator") REGARDING  
ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by Consol Energy Inc., as a Gas Engineer and is duly authorized to make this  
affidavit on behalf of POCAHONTAS GAS PARTNERSHIP, the designated operator,

That the Order entered on December 11, 2000, by the Virginia Gas and Oil Board (hereinafter "Board")  
regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each  
person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your  
affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each  
Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were  
added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been  
tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written  
elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the counties identified  
above; that said Order was recorded on December 20, 2000 and on December 21, 2000;

That the designated operator POCAHONTAS GAS PARTNERSHIP has established procedures to review all  
mail received and all written documents received other than by mail to ascertain whether parties whose interests  
have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said  
procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following  
persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

James D. Rasnake

That the following persons attempted to make an election but failed to do so by reason of their failure to tender  
sufficient funds within the time established by the Board for payment:

James D. Rasnake

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased  
their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of December  
11, 2000;

See attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E

That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

None

That to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

None

That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

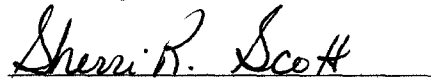
None

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at Tazewell, Virginia, this 10<sup>th</sup> day of May, 2001.

  
Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as Gas Engineer of Consol Energy Inc., on behalf of the corporate Designated Operator, this 10<sup>th</sup> day of May, 2001.

  
Notary

My commission expires: 11/30/01.

N 308,827.01  
E 990,163.31

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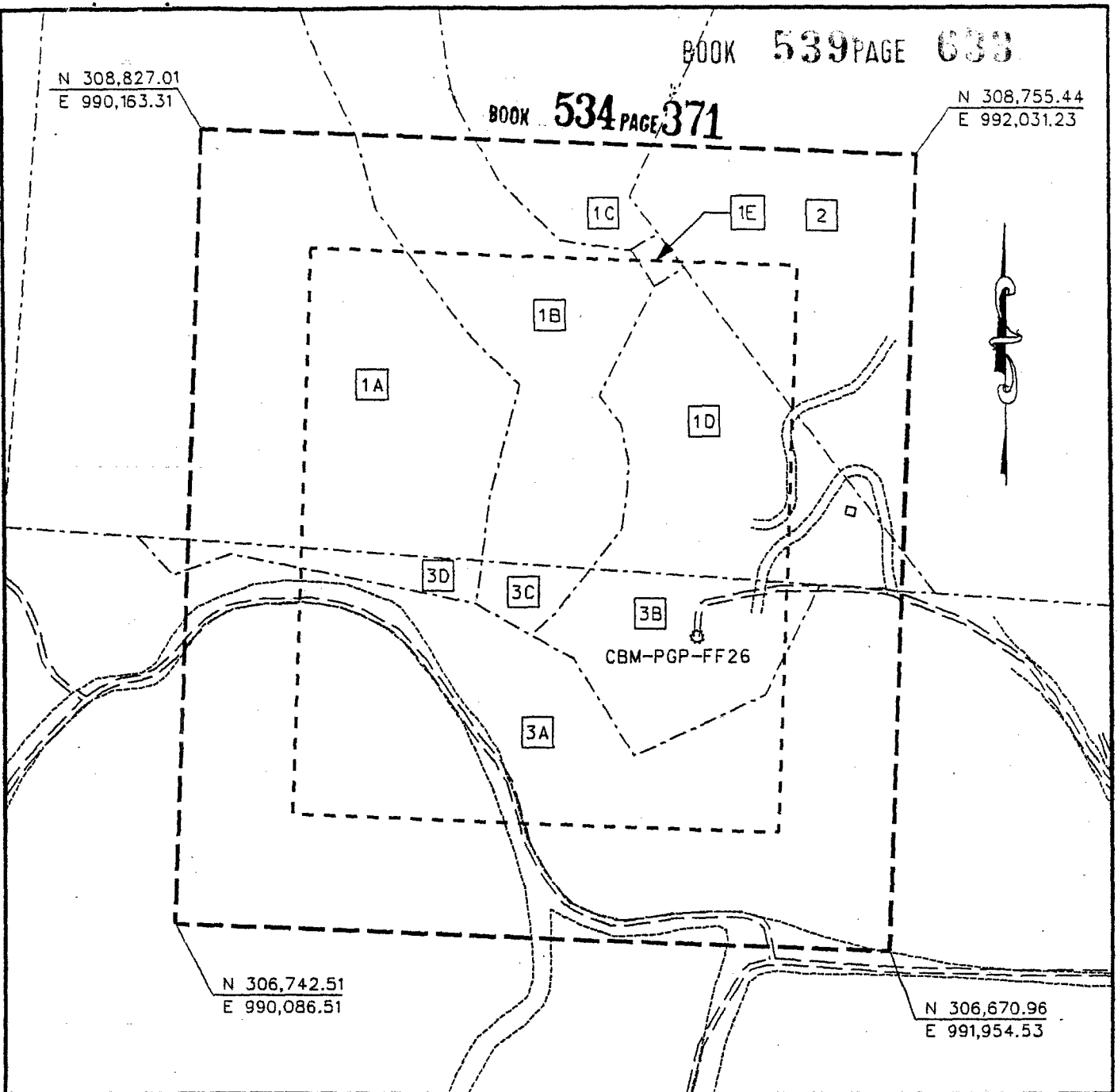
N 308,755.44  
E 992,031.23N 306,742.51  
E 990,086.51N 306,670.96  
E 991,954.53

EXHIBIT A  
OAKWOOD FIELD UNIT FF-26  
FORCE POOLING  
VGOB-00-0919-0824

Company Pocahontas Gas Partnership Well Name and Number UNIT FF26  
 Tract No. Buckhorn Coal Company Elevation \_\_\_\_\_ Quadrangle Keen Mountain  
 County Buchanan/Russell District Hurricane/New Garden Scale: 1" = 400' Date 12-06-00  
 This plat is a new plat X ; an updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_

Form DGO-GD-7  
Rev. 9/91

*David C. Noyes*  
 Licensed Professional Engineer or Licensed Land Surveyor

20308  
(Affix Seal)

## POCAHONTAS GAS PARTNERSHIP

## Unit FF-26

## Tract Identifications

- 1A. Hugh MacRae Land Trust - TR 9 - Coal  
Myrtle Hale, et al - Surface, Oil & Gas  
Lessees -  
Consolidation Coal Company - Below Tiller coal Leased  
Permac, Inc. - Tiller and Above Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
16.86 acres 18.8548%
- 1B. Hugh MacRae Land Trust - TR 9 - Coal  
James Rasnake - Surface, Oil & Gas  
Lessees -  
Consolidation Coal Company - Below Tiller coal Leased  
Permac, Inc. - Tiller and Above Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
9.56 acres 10.6911%
- 1C. Hugh MacRae Land Trust - TR 9 - Coal  
Myrtle Hale, et al - Surface, Oil & Gas  
Lessees -  
Consolidation Coal Company - Below Tiller coal Leased  
Permac, Inc. - Tiller and above Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
2.02 acres 2.2590%
- 1D. Hugh MacRae Land Trust - TR 9 - Coal  
H. C. Bostic Coal Co. Inc. Surface, Oil & Gas  
Lessees -  
Consolidation Coal Company - Below Tiller coal Leased  
Permac, Inc. - Tiller and Above Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
8.82 acres 9.8636%
- 1E. Hugh MacRae Land Trust - TR 9 - Coal  
James Rasnake - Surface, Oil & Gas  
Lessees -  
Consolidation Coal Company - Below Tiller coal Leased  
Permac, Inc. - Tiller and Above Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
0.21 acres 0.2349%
2. J. S. and A. P. Gillespie Estates Corp. et al. - Fee  
Lessees -  
Consolidation Coal Company - Below Tiller Coal Leased  
H. C. Bostic Coal Co. - Red Ash and Jawbone Seam Coal Leased  
9.86 acres 11.0266%

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POCAHONTAS GAS PARTNERSHIP  
Unit FF-26  
Tract Identifications

3. Buckhorn Coal Mining - Tr. 7 - Coal, Oil & Gas  
Lessees -  
Consolidation Coal Company - Below Tiller Coal Leased  
Permac, Inc. - Tiller and Above Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
42.09 acres                      47.0700%
- 3A. Buckhorn Coal Mining - Tr. 7 - Surface  
3B. H. C. Bostic Coal Co. - Surface  
3C. James Rasnake - Surface  
3D. Myrtle Hale, et al - Surface

Exhibit B-3  
Unit FF-26  
Docket No. VGOB-00-0919-0824  
List of Unleased Owners/Claimants

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		Net Acres in Unit	Interest in Unit	Election
<b>II. OIL &amp; GAS FEE OWNERSHIP</b>				
<b><u>Tract #1A - 16.86 acres</u></b>				
(1)	Myrtle Hale Rt.1 Box 182B Lebanon, VA 24266	16.86 acres	18.8548%	Deemed Leased
<b><u>Tract #1B - 9.56 acres</u></b>				
(1)	James Rasnake 22484 Montego Bay Road Abingdon, VA 24211	9.56 acres	10.6911%	Carried
<b><u>Tract #1C - 2.02 acres</u></b>				
(1)	Myrtle Hale Rt.1 Box 182B Lebanon, VA 24266	2.02 acres	2.2590%	Deemed Leased
<b><u>Tract #1E - 0.21 acres</u></b>				
(1)	James Rasnake 22484 Montego Bay Road Abingdon, VA 24211	0.21 acres	0.2348%	Deemed Leased *

\*Elected to participate but failed to tender sufficient funds before time to do so had expired. No further correspondence received regarding a new election.

Exhibit E  
Unit FF-26  
Docket No. VGOB-00-0919-0824  
List of Conflicting Owners/Claimants that require escrow

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BOOK 534 PAGE 375

	Net Acres in Unit	Interest in Unit
<b><u>Tract #1A - 16.86 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Hugh Macrae Land Trust, Tr. 9 c/o Akin, Gump, et al. 590 Madison Avenue, 20th Floor New York, NY 10022	16.86 acres	18.8548%
(2) Torch Operating Co. (CBM Royalty Owner) P. O. Box 200722 Houston, TX 77216-0122		
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Myrtle Hale Rt.1 Box 182B Lebanon, VA 24266	16.86 acres	18.8548%
<b><u>Tract #1B - 9.56 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Hugh Macrae Land Trust, Tr. 9 c/o Akin, Gump, et al. 590 Madison Avenue, 20th Floor New York, NY 10022	9.56 acres	10.6911%
(2) Torch Operating Co. (CBM Royalty Owner) P. O. Box 200722 Houston, TX 77216-0122		
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) James Rasnake 22484 Montego Bay Road Abingdon, VA 24211	9.56 acres	10.6911%
<b><u>Tract #1C - 2.02 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Hugh Macrae Land Trust, Tr. 9 c/o Akin, Gump, et al. 590 Madison Avenue, 20th Floor New York, NY 10022	2.02 acres	2.2590%
(2) Torch Operating Co. (CBM Royalty Owner) P. O. Box 200722 Houston, TX 77216-0122		
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Myrtle Hale Rt.1 Box 182B Lebanon, VA 24266	2.02 acres	2.2590%

Net Acres  
in Unit

Interest in  
Unit

Tract #1D - 8.82 acres

COAL FEE OWNERSHIP

- |     |   |            |         |
|-----|---|------------|---------|
| (1) | Hugh Macrae Land Trust, Tr. 9<br>c/o Akin, Gump, et al.<br>590 Madison Avenue, 20th Floor<br>New York, NY 10022 | 8.82 acres | 9.8636% |
|     |   |            |         |
| (2) | Torch Operating Co. (CBM Royalty Owner)<br>P. O. Box 200722<br>Houston, TX 77216-0122                           |            |         |

OIL & GAS FEE OWNERSHIP

- |     |  |            |         |
|-----|--|------------|---------|
| (1) | H.C. Bostic Coal Company, Inc.<br>P.O. Box 200<br>Swords Creek, VA 24649 | 8.82 acres | 9.8636% |
|-----|--|------------|---------|

Tract #1E - 0.21 acres

COAL FEE OWNERSHIP

- |     |   |            |         |
|-----|---|------------|---------|
| (1) | Hugh Macrae Land Trust, Tr. 9<br>c/o Akin, Gump, et al.<br>590 Madison Avenue, 20th Floor<br>New York, NY 10022 | 0.21 acres | 0.2348% |
|     |   |            |         |
| (2) | Torch Operating Co. (CBM Royalty Owner)<br>P. O. Box 200722<br>Houston, TX 77216-0122                           |            |         |

OIL & GAS FEE OWNERSHIP

- |     |   |            |         |
|-----|---|------------|---------|
| (1) | James Rasnake<br>22484 Montego Bay Road<br>Abingdon, VA 24211 | 0.21 acres | 0.2348% |
|-----|---|------------|---------|

0004235

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 11-14, 2001. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 10:59 o'clock A.M., after payment of \$ — tax imposed by Sec. 58.1-802.

Original returned this date to: Diane Davis

TESTE: DOLLIE M. COMPTON, CLERK  
BY: Ann M Reynolds D. CLERK

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 34 day of November, 2001.  
Deed Book No. 534 and Page No. 361.  
Returned this date to: Ann M Reynolds

TESTE: James M. Beving, Jr. Clerk  
TESTE: Patricia Smith Deputy Clerk

02

BY:

INSTRUMENT #010003536  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
NOVEMBER 14, 2001 AT 03:12PM  
JAMES M. BEVINS JR., CLERK



*Handwritten signature*